

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company (U-39-E) for Adoption of its 2006 Energy Resource Recovery Account (ERRA) Forecast Revenue Requirement and for Approval of Its 2006 Ongoing Competition Transition Charge Revenue Requirement and Rates.

Application 05-06-007  
(Filed June 1, 2005)

**ADMINISTRATIVE LAW JUDGE'S RULING  
PROVIDING ADDITIONAL INSTRUCTIONS REGARDING  
THE FINAL UPDATE**

**Background**

The Assigned Commissioner's Ruling and Scoping Memo dated August 25, 2005, states at page 7 that PG&E must file on October 14, 2005, a supplement to Application (A.) 05-06-007 that contains the following: (1) the final calculation of the forecasted 2006 ERRA and ongoing CTC revenue requirement, and (2) the final rate design and proposed rates.

**Ruling**

The updated ERRA and CTC revenue requirement that PG&E files on October 14, 2005, should reflect (i) any necessary corrections to A.05-06-007, (ii) any agreements between PG&E and the parties, (iii) end-of-September balances in the relevant balancing accounts, and (iv) the updated MPR described below. PG&E's filing should also contain the following: (a) a table that lists all changes to A.05-06-007, the testimony appended to A.05-06-007, and the Reconciliation Table that have occurred since PG&E filed a supplement on

September 13, 2005; and (b) the staff's MPR calculation and supporting workpapers described below.

Except for the previously described updates to PG&E's ERRA and CTC revenue requirement, there is no need for PG&E to update the various forecasts it used to calculate the ERRA and CTC revenue requirement, such as forecasted payments to power suppliers. Nor is there a need for PG&E to update the Illustrious Revenue Allocation and the Illustrative Electric Rates in Appendices 7-1 and 7-2, respectively of the testimony appended to A.05-06-007.

Energy Division staff will e-mail to the service list on October 7, 2005, an updated MPR CCGT proxy (MPR) and workpapers containing the spreadsheet model used to calculate the MPR.<sup>1</sup> PG&E should use the refreshed MPR to calculate the updated CTC revenue requirement filed on October 14. Staff's calculation of the MPR will use the same inputs as the MPR that staff e-mailed to the service list on September 9, 2005, except that the MPR e-mailed on October 7 will use the most recent NYMEX market data for gas prices.

**IT IS RULED** that:

1. The supplement to Application 05-06-007 that Pacific Gas and Electric Company files and serves on October 7, 2005, as required by the Assigned Commissioner's Ruling and Scoping Memo dated August 25, 2005, shall contain the information and documents specified in the body of this Ruling.

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<sup>1</sup> There is no need for staff's e-mail on October 7, 2005, to contain the following documents that were included in staff's workpapers sent to the parties on September 9, 2005: Resolution E-3942 and the Revised 2004 MPR Staff Report.

2. The staff of the Commission's Energy Division shall e-mail to the service list on October 7, 2005, an updated MPR CCGT proxy and workpapers containing the spreadsheet model used to calculate it.

Dated September 21, 2005, at San Francisco, California.

/s/ TIMOTHY KENNEY

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Timothy Kenney  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Providing Additional Instructions Regarding the Final Update on all parties of record in this proceeding or their attorneys of record.

Dated September 21, 2005, at San Francisco, California.

/s/ FANNIE SID  
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Fannie Sid

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.